

Subchapter B—Expanded Access to Certain Benefits

SEC. 6021. EXPANSION OF STATE LONG-TERM CARE PARTNERSHIP PROGRAM.

(a) EXPANSION AUTHORITY.—

(1) IN GENERAL.—Section 1917(b) of the Social Security Act (42 U.S.C. 1396p(b)) is amended—

(A) in paragraph (1)(C)—

(i) in clause (ii), by inserting “and which satisfies clause (iv), or which has a State plan amendment that provides for a qualified State long-term care insurance partnership (as defined in clause (iii))” after “1993,”; and

(ii) by adding at the end the following new clauses:

“(iii) For purposes of this paragraph, the term ‘qualified State long-term care insurance partnership’ means an approved State plan amendment under this title that provides for the disregard of any assets or resources in an amount equal to the insurance benefit payments that are made to or on behalf of an individual who is a beneficiary under a long-term care insurance policy if the following requirements are met:

“(I) The policy covers an insured who was a resident of such State when coverage first became effective under the policy.

“(II) The policy is a qualified long-term care insurance policy (as defined in section 7702B(b) of the Internal Revenue Code of 1986) issued not earlier than the effective date of the State plan amendment.

“(III) The policy meets the model regulations and the requirements of the model Act specified in paragraph (5).

“(IV) If the policy is sold to an individual who—

“(aa) has not attained age 61 as of the date of purchase, the policy provides compound annual inflation protection;

“(bb) has attained age 61 but has not attained age 76 as of such date, the policy provides some level of inflation protection; and

“(cc) has attained age 76 as of such date, the policy may (but is not required to) provide some level of inflation protection.

“(V) The State Medicaid agency under section 1902(a)(5) provides information and technical assistance to the State insurance department on the insurance department’s role of assuring that any individual who sells a long-term care insurance policy under the partnership receives training and demonstrates evidence of an understanding of such policies and how they relate to other public and private coverage of long-term care.

“(VI) The issuer of the policy provides regular reports to the Secretary, in accordance with regulations of the Secretary, that include notification regarding when benefits provided under the policy have been paid and the amount of such benefits paid, notification regarding when the policy otherwise terminates, and such other information as the Secretary determines may be appropriate to the administration of such partnerships.

Reports.

Notification.

PUBLIC LAW 109–171—FEB. 8, 2006 120 STAT. 69

“(VII) The State does not impose any requirement affecting the terms or benefits of such a policy unless the State imposes such requirement on long-term care insurance policies without regard to whether the policy is covered under the partnership or is offered in connection with such a partnership.

In the case of a long-term care insurance policy which is exchanged for another such policy, subclause (I) shall be applied based on the coverage of the first such policy that was exchanged. For purposes of this clause and paragraph (5), the term ‘long-term care insurance policy’ includes a certificate issued under a group insurance contract.

“(iv) With respect to a State which had a State plan amendment approved as of May 14, 1993, such a State satisfies this clause for purposes of clause (ii) if the Secretary determines that the State plan amendment provides for consumer protection standards which are no less stringent than the consumer protection standards which applied under such State plan amendment as of December 31, 2005.

“(v) The regulations of the Secretary required under clause (iii)(VI) shall be promulgated after consultation with the National Association of Insurance Commissioners, issuers of long-term care insurance policies, States with experience with long-term care insurance partnership plans, other States, and representatives of consumers of long-term care insurance policies, and shall specify the type and format of the data and information to be reported and the frequency with which such reports are to be made. The Secretary, as appropriate, shall provide copies of the reports provided in accordance with that clause to the State involved.

“(vi) The Secretary, in consultation with other appropriate Federal agencies, issuers of long-term care insurance, the National Association of Insurance Commissioners, State insurance commissioners, States with experience with long-term care insurance partnership plans, other States, and representatives of consumers of long-term care insurance policies, shall develop recommendations for Congress to authorize and fund a uniform minimum data set to be reported electronically by all issuers of long-term care insurance policies under qualified State longterm care insurance partnerships to a secure, centralized electronic query and report-generating mechanism that the State, the Secretary, and other Federal agencies can access.’’; and (B) by adding at the end the following:

“(5)(A) For purposes of clause (iii)(III), the model regulations and the requirements of the model Act specified in this paragraph are:

“(i) In the case of the model regulation, the following requirements:

“(I) Section 6A (relating to guaranteed renewal or noncancellability), other than paragraph (5) thereof, and the requirements of section 6B of the model Act relating to such section 6A.

“(II) Section 6B (relating to prohibitions on limitations and exclusions) other than paragraph (7) thereof.
“(III) Section 6C (relating to extension of benefits).
“(IV) Section 6D (relating to continuation or conversion of coverage).
Records.
Applicability.

120 STAT. 70 PUBLIC LAW 109–171—FEB. 8, 2006

“(V) Section 6E (relating to discontinuance and replacement of policies).
“(VI) Section 7 (relating to unintentional lapse).
“(VII) Section 8 (relating to disclosure), other than sections 8F, 8G, 8H, and 8I thereof.
“(VIII) Section 9 (relating to required disclosure of rating practices to consumer).
“(IX) Section 11 (relating to prohibitions against postclaims underwriting).
“(X) Section 12 (relating to minimum standards).
“(XI) Section 14 (relating to application forms and replacement coverage).
“(XII) Section 15 (relating to reporting requirements).
“(XIII) Section 22 (relating to filing requirements for marketing).
“(XIV) Section 23 (relating to standards for marketing), including inaccurate completion of medical histories, other than paragraphs (1), (6), and (9) of section 23C.
“(XV) Section 24 (relating to suitability).
“(XVI) Section 25 (relating to prohibition against preexisting conditions and probationary periods in replacement policies or certificates).
“(XVII) The provisions of section 26 relating to contingent nonforfeiture benefits, if the policyholder declines the offer of a nonforfeiture provision described in paragraph (4).
“(XVIII) Section 29 (relating to standard format outline of coverage).
“(XIX) Section 30 (relating to requirement to deliver shopper’s guide).
“(ii) In the case of the model Act, the following:
“(I) Section 6C (relating to preexisting conditions).
“(II) Section 6D (relating to prior hospitalization).
“(III) The provisions of section 8 relating to contingent nonforfeiture benefits.
“(IV) Section 6F (relating to right to return).
“(V) Section 6G (relating to outline of coverage).
“(VI) Section 6H (relating to requirements for certificates under group plans).
“(VII) Section 6J (relating to policy summary).
“(VIII) Section 6K (relating to monthly reports on accelerated death benefits).
“(IX) Section 7 (relating to incontestability period).
“(B) For purposes of this paragraph and paragraph (1)(C)—
“(i) the terms ‘model regulation’ and ‘model Act’ mean the long-term care insurance model regulation, and the longterm care insurance model Act, respectively, promulgated by

the National Association of Insurance Commissioners (as adopted as of October 2000);

“(ii) any provision of the model regulation or model Act listed under subparagraph (A) shall be treated as including any other provision of such regulation or Act necessary to implement the provision; and

“(iii) with respect to a long-term care insurance policy issued in a State, the policy shall be deemed to meet applicable requirements of the model regulation or the model Act if the State plan amendment under paragraph (1)(C)(iii) provides that

PUBLIC LAW 109–171—FEB. 8, 2006 120 STAT. 71

the State insurance commissioner for the State certifies (in a manner satisfactory to the Secretary) that the policy meets such requirements.

“(C) Not later than 12 months after the National Association of Insurance Commissioners issues a revision, update, or other modification of a model regulation or model Act provision specified in subparagraph (A), or of any provision of such regulation or Act that is substantively related to a provision specified in such subparagraph, the Secretary shall review the changes made to the provision, determine whether incorporating such changes into the corresponding provision specified in such subparagraph would improve qualified State long-term care insurance partnerships, and if so, shall incorporate the changes into such provision.”.

(2) STATE REPORTING REQUIREMENTS.—Nothing in clauses (iii)(VI) and (v) of section 1917(b)(1)(C) of the Social Security Act (as added by paragraph (1)) shall be construed as prohibiting a State from requiring an issuer of a long-term care insurance policy sold in the State (regardless of whether the policy is issued under a qualified State long-term care insurance partnership under section 1917(b)(1)(C)(iii) of such Act) to require the issuer to report information or data to the State that is in addition to the information or data required under such clauses.

(3) EFFECTIVE DATE.—A State plan amendment that provides for a qualified State long-term care insurance partnership under the amendments made by paragraph (1) may provide that such amendment is effective for long-term care insurance policies issued on or after a date, specified in the amendment, that is not earlier than the first day of the first calendar quarter in which the plan amendment was submitted to the Secretary of Health and Human Services.

(b) STANDARDS FOR RECIPROCAL RECOGNITION AMONG PARTNERSHIP STATES.—In order to permit portability in long-term care insurance policies purchased under State long-term care insurance partnerships, the Secretary of Health and Human Services shall develop, not later than January 1, 2007, and in consultation with the National Association of Insurance Commissioners, issuers of long-term care insurance policies, States with experience with longterm care insurance partnership plans, other States, and representatives of consumers of long-term care insurance policies, standards for uniform reciprocal recognition of such policies among States with qualified State long-term care insurance partnerships under which—

(1) benefits paid under such policies will be treated the same by all such States; and

(2) States with such partnerships shall be subject to such standards unless the State notifies the Secretary in writing of the State's election to be exempt from such standards.

(c) ANNUAL REPORTS TO CONGRESS.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall annually report to Congress on the long-term care insurance partnerships established in accordance with section 1917(b)(1)(C)(ii) of the Social Security Act (42 U.S.C. 1396p(b)(1)(C)(ii)) (as amended by subsection (a)(1)). Such reports shall include analyses of the extent to which such partnerships expand or limit access of individuals to longterm care and the impact of such partnerships on Federal

Deadline.

Deadline.

120 STAT. 72 PUBLIC LAW 109–171—FEB. 8, 2006

and State expenditures under the Medicare and Medicaid programs.

Nothing in this section shall be construed as requiring the Secretary to conduct an independent review of each longterm care insurance policy offered under or in connection with such a partnership.

(2) APPROPRIATION.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to the Secretary of Health and Human Services, \$1,000,000 for the period of fiscal years 2006 through 2010 to carry out paragraph (1).

(d) NATIONAL CLEARINGHOUSE FOR LONG-TERM CARE INFORMATION.—

(1) ESTABLISHMENT.—The Secretary of Health and Human Services shall establish a National Clearinghouse for Long-Term Care Information. The Clearinghouse may be established through a contract or interagency agreement.

(2) DUTIES.—

(A) IN GENERAL.—The National Clearinghouse for Long-Term Care Information shall—

(i) educate consumers with respect to the availability and limitations of coverage for long-term care under the Medicaid program and provide contact information for obtaining State-specific information on long-term care coverage, including eligibility and estate recovery requirements under State Medicaid programs;

(ii) provide objective information to assist consumers with the decisionmaking process for determining whether to purchase long-term care insurance or to pursue other private market alternatives for purchasing long-term care and provide contact information for additional objective resources on planning for longterm care needs; and

(iii) maintain a list of States with State long-term care insurance partnerships under the Medicaid program that provide reciprocal recognition of long-term care insurance policies issued under such partnerships.

(B) REQUIREMENT.—In providing information to consumers on long-term care in accordance with this subsection, the National Clearinghouse for Long-Term Care Information shall not advocate in favor of a specific longterm

care insurance provider or a specific long-term care insurance policy.

(3) APPROPRIATION.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to carry out this subsection, \$3,000,000 for each of fiscal years 2006 through 2010.